

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Prohibition and Excise Department – Wholesale trade of Indian Made Foreign Liquor (IMFL) and Foreign Liquor (FL) – Approval of authorisation to the Commissioner of Prohibition & Excise to import, export and conduct wholesale trade of IMFL & FL by opening and managing wholesale Government Depots by the Prohibition and Excise Department and Action Plan – Orders - Issued.

REVENUE (EXCISE-II) DEPARTMENT

G.O.MS.No. 93

Dated:10.03.2015

Read:

From the Commissioner of Prohibition and Excise, A.P., Hyderabad,
CR.No.3600/2010/CPE/E3, Dt.05.03.15 & Dt: 06.03.2015.

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ORDER:

In the letter read above, the Commissioner of Prohibition & Excise, A.P. Hyderabad has stated that the right to carry on wholesale trade and distribution of IMFL & FL, wine and beer is solely vested with the Government U/s 4 of the A.P. (Regulation of Trade in Indian Made Foreign Liquor, Foreign Liquor), Act, 1993. The Andhra Pradesh Beverages Corporation Limited (APBCL) , a Corporation wholly owned by the Government, has been conducting wholesale trade of IMFL and FL on behalf of the Government as an "Agent" under Rule 22 of the A.P. (Regulation of Trade in Indian Made Foreign Liquor, Foreign Liquor), Rules, 1993.

2) He has further reported that the Wine Dealers' Association and the other connected stakeholders are often representing that the supplies of IMFL & FL are not timely and evenly and the shops located in the far flung areas are unable to get the desired brands. Shortage of supply of IMFL and FL may lead to anti social elements taking advantage of the situation and bringing spurious liquor, illicit liquor and adulterated toddy etc., to fill the gap. This is likely to result in substantial loss of revenue, apart from endangering lives and permanent incapacitation of the consumers.

3) The Commissioner of Prohibition & Excise, therefore, in order to facilitate timely and hassle free supplies of IMFL & FL to the licensees and also in public interest, has requested the Government to accord permission to conduct wholesale trade of IMFL & FL in the capacity of the "Principal" in exercise of the sole right vested in it, wherever necessary in addition to the APBCL. He has also submitted a detailed Action Plan for operationalisation of the wholesale trade in IMFL and FL by the Prohibition and Excise Department on behalf of the Government.

4) After careful examination of the matter and in exercise of the right vested U/s 4 of the A.P. (Regulation of Trade in Indian Made Foreign Liquor, Foreign Liquor), Act, 1993, Government hereby authorize the Commissioner of Prohibition & Excise to import, export and conduct wholesale trade of IMFL & FL by opening and running of wholesale Government Depots by the Prohibition and Excise Department wherever necessary and approve the Action Plan (**Annexure-I**), subject to the following conditions:

- a) The cost of wholesale trade, including any incidental and legal expenses shall be met from the cash discounts, penalties and margins etc., accruing from the sale, deposited in the P.D. Account of the Commissioner of Prohibition & Excise.

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- b) The Deputy Commissioner of Prohibition & Excise of the district shall be the overall in-charge of the entire wholesale trade.
- c) The Commissioner of Prohibition & Excise is authorised to contract the services of an organisation having the required experience and expertise in whole sale trade of IMFL & FL which shall deploy the services of personnel as per the requirement of each depot.
- d) The Department shall not engage any additional staff directly other than the services essential for effective management of wholesale trade of IMFL & FL.

The guidelines for entering into contract for service with required experience and expertise in wholesale trade of IMFL & FL are shown in **Annexure-II.**

- 5) The Commissioner of Prohibition & Excise shall establish such number of wholesale depots as may be necessary for selling IMFL & FL to the licence holders issued under A.P. Excise (Lease of Right of Selling by Shop and Conditions of the Licences) Rules, 2012, A.P. Excise (Grant of licence of Selling by Bar and Conditions of the Licences) Rules, 2005 and A.P. Excise (Grant of licence of Selling by In-House and Conditions of the Licences) Rules, 2005.
- 6) The Commissioner of Prohibition & Excise shall take necessary action accordingly and issue further guidelines as may be required for smooth operationalisation of the wholesale trade of IMFL and FL.
- 7) This Order issues with the concurrence of the Finance Dept., vide their U.O No.1319-A/EBS.VIII-Rev/A1/15. Dt.10.03.2015.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**J.C. SHARMA,
PRINCIPAL SECRETARY TO GOVERNMENT (CT&EX)(FAC)**

To,

The Commissioner of Prohibition & Excise, A.P. Hyderabad.
The Managing Director, A.P.B.C.L., A.P. Hyderabad.

Copy to:

The Principal Secretary to Hon'ble Chief Minister, A.P. Hyderabad.

The Principal Secretary to the Government (Finance)., R&E Dept., A.P. Hyderabad.

P.S to the Hon'ble Minister for Proh. & Excise., A.P. Hyderabad and

P.S to the Hon'ble Minister for Finance., A.P. Hyderabad.

The PS to Prl.Secy to Govt(CT&EX).

The Deputy Commissioners of Prohibition and Excise in the State through
Commissioner of Prohibition and Excise, A.P., Hyderabad

// FORWARDED:: BY ORDER//

SECTION OFFICER

ANNEXURE - I
ACTION PLAN FOR OPERATIONALISATION OF THE WHOLESALE TRADE
OF IMFL & FL FROM GOVERNMENT DEPOTS

1. Godowns:

The Deputy Commissioner of Proh. & Excise will identify the Godowns for locating the wholesale Depots, as required in the Districts.

2. Trucks waiting for unloading in the Districts:

- a) The Deputy Commissioner's will see that the trucks waiting for unloading are sent immediately to the identified Government Depots.
- b) Such movement of trucks will be authorised by way of an endorsement by the Station House Officer concerned on the Transport Permit already issued by the Distillery / Brewery Officer.

3. Receipt and custody of the stocks:

The Deputy Commissioner of Prohibition and Excise will ensure that the stocks are received at the identified godown(s). The stocks so received will be kept in the custody of the Excise Supervisory Officers and Stores Officers positioned at the Government Depots and they will acknowledge the receipt of the Stocks.

4. Sale and Billing:

The Deputy Commissioners will instruct all the licensees of the District to purchase IMFL and FL stocks from the Government Depot(s), of the district concerned. The existing I.T infrastructure may be utilised by the Govt. Depots for billing etc.,

5. Method of payment:

The licensees will follow the existing method of payment i.e., by e-challan, **Head of Account** being Major Head 8443, Minor Head 800 Sub Head 09 for buying IMFL/FL stocks.

The Heads relating to Apportion of Sale Proceeds are as follows :

VAT Major Head 0040 Minor Head 102 VAT by Excise 06

CMRF Major Head 8443 Minor Head 800 Sub Head 02 DTA Head 001

Privilege Fee Major Head 0039 Minor Head 105 Sub Head 02

Sports Major Head 0039 Minor Head 800 Sub Head 03

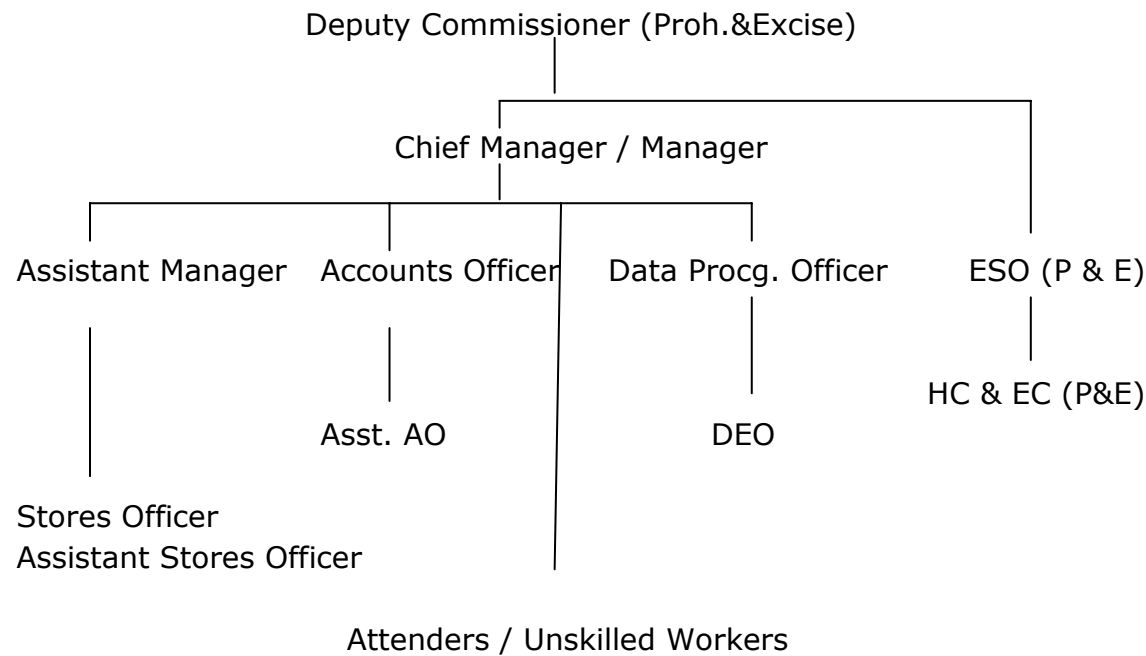
Supplier Payments through LOC.

Cash Discount, Penalty & Margins though LOC.

6. Procurement:

The Order for supply will be placed by the Commissioner of Prohibition and Excise on the Distilleries / Breweries / Suppliers.

7. Staffing pattern at Government Depot:



8) The expenditure to be incurred on the running of the Government Depots will be met from the following:

- a. **Deductions made while making payments to the suppliers;**
- b. **Ground rent penalties,**
- c. **GRN processing fee,**
- d. **Margins on sales and**
- e. **Payment processing fee.**

J.C. SHARMA,
PRINCIPAL SECRETARY TO GOVERNMENT (CT&EX)(FAC)

ANNEXURE-II

GUIDELINES FOR ENTERING INTO CONTRACT FOR SERVICE OF THE PERSONNEL

1. The Commissioner of Prohibition & Excise shall follow the procedure laid down in the A.P. Financial Code or any Codes in selection of the Contractor/Agency for providing the services and deploying the manpower.
2. The Commissioner of Prohibition & Excise shall enter into an agreement with the Contracting Company or Contractor or Firm or Agency, but not with the individuals duly specifying the services to be provided by the contractor, the number of personnel required with defined skill sets and general service conditions.
3. The Commissioner of Prohibition & Excise shall prepare a job-chart for each position for which the man power is to be deployed by the Agency.
4. The agency should render services as per the terms of the contract duly deploying the number of personnel with required skill sets and experience. The Commissioner of Prohibition & Excise may reserve the right to seek replacement of any person deployed by the Agency if the performance is found to be unsatisfactory or on the grounds of indiscipline or in case of indulgence in any irregularity or malpractice etc.,
5. It shall be made explicitly clear that the personnel deployed are not to be treated as temporary or adhoc or contract employees of the Department., They shall only be treated as the employees of the agency, with whom the Department has entered into an agreement for rendering necessary services.
6. The personnel deployed by the Agency do not have any preferential right or claim for absorption or deputation in the department or continuation of their services in any manner. The employees are governed by the service rules and other service conditions of their organization to which they were originally appointed. They are not entitled to pay and allowances, service conditions applicable to the employees of the Department.
7. The consideration payable to the Contractor/Firm/Agency shall cover the remuneration payable to the personal deployed, the statutory contributions towards EPF and ESI, the statutory liabilities like Service tax etc., It shall also include any maintenance and supervisory charges and other incidental expenditure to be incurred by the Agency relating to the deployment of man power in the Department. In addition to the consideration agreed with the company/agency no additional payments on any ground can be made to the agency.

8. The agency shall pay the monthly remuneration to the hired personnel on the first working day of every month and shall produce proof of payment including the transfers to the EPF and ESI for preferring the claims for the next month.

9. The employees of the agency are to be deployed in places as may be prescribed by the Commissioner of Prohibition & Excise and shall discharge the functions mentioned in the job chart and other miscellaneous functions as may be entrusted to them by the officers of the unit in which they are deployed.

**J.C. SHARMA,
PRINCIPAL SECRETARY TO GOVERNMENT (CT&EX)(FAC)**

